

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
)	
Montrose Multifamily Members, LLC, <i>et al.</i> ¹)	Case No. 22-90323
)	
Debtors.)	Jointly Administered
)	
)	

**DEBTORS' EMERGENCY MOTION FOR ORDER AUTHORIZING THE
CONTINUED USE OF EXISTING (I) CASH MANAGEMENT SYSTEM AND (II) BANK
ACCOUNTS**

Emergency relief has been requested. If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing has been set for October 17, 2022, at 1:00 p.m. (Prevailing Central Time). Participation at the hearing will be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Jones's conference room number is 205691. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Jones's home page. The meeting code is "JudgeJones". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Jones's home page. Select the case

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Montrose Multifamily Members II, LLC (5725); Colquitt 2008, LP (6108); Westmoreland Partners, LLC (1492); Graustark Members II, LLC (1605); Kipling Partners LLC (2339); MT Vernon Members, LLC (5014); and Norfolk Partners LLC (3182). The location of Debtor Montrose Multifamily Members, LLC's principal place of business and the Debtors' service address is 4203 Montrose Blvd, Suite 400, Houston, Texas, 77006.

name, complete the required fields and click “Submit” to complete your appearance.

Montrose Multifamily Members, LLC and certain of its affiliates, as debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) by and through their undersigned proposed counsel file this emergency motion (the “Motion”), for order (i) authorizing the continued use of existing (i) cash management system and (ii) bank accounts. In support thereof, the Debtors would show as follows:

SECTION I **JURISDICTION & VENUE**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. Section 157 and Section 1334. This Motion is a core proceeding pursuant to 28 U.S.C. Section 157(b). Venue is proper pursuant to 28 U.S.C. Section 1408 and 1409.

SECTION II **STATEMENT OF THE CASE & EMERGENCY CONSIDERATION**

2. On October 4, 2022 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors have requested that the Chapter 11 Cases be jointly administered. The Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. To date, no creditors committee has been appointed in the Chapter 11 Cases by the Office of the United States Trustee for the Southern District of Texas (the “United States Trustee”). No trustee or examiner has been appointed in the Chapter 11 Cases.

3. The Debtors collectively own and manage 14 multifamily apartment complexes in the Montrose neighborhood of Houston, Texas. A detailed description of the Debtors and their businesses, and the facts and circumstance supporting the Chapter 11 Cases are set forth in greater

detail in the *Declaration of Christopher Bran, Manager of Bran Enterprises, LLC, Managing Partner of MMM, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”) [Dkt. No. 15]. In support of this Motion, the Debtors rely upon and incorporate by reference the First Day Declaration.

4. The Debtors maintain depository accounts at Independent Bank in order to process payroll, utility payments, and rental deposits. Below is a table summarizing the accounts maintained at Independent Bank:

Bank Account Information				
Legal Name	Address	Units	Bank Account	Bank
Kipling Partners, LLC	1423 Kipling	8	ending 5479	Independent Bank
Graustark Members II, LLC	3412 Graustark	8	ending 7681	Independent Bank
	3414 Graustark	8		
Mt Vernon Members, LLC	4321 Mt Vernon	16	ending 1346	Independent Bank
Westmoreland Partners, LLC	400 Westmoreland	16	ending 1338	Independent Bank
2008 Colquitt, LP	2008 Colquitt	8	ending 9333	Independent Bank
Norfolk Partners, LLC	1717 Norfolk	20	ending 7643	Independent Bank
Montrose Multifamily Members II, LLC	606 Harold	14	ending 7216	Independent Bank
	306 Stratford	15		
	2212 Dunlavy	20		
	1507 California	18		
Montrose Multifamily Members, LLC	239 Emerson	28	ending 6481	Independent Bank
	417 W Main	12		
	2301 Commonwealth	24		

5. The Debtors require the continued, uninterrupted use of the Depository Accounts order to collect rental receipts and to pay operating expenses related to the subject properties and should the Debtors face any disruption as to payment from their tenants, they will not have sufficient income to maintain essential operating expenses, such as payroll and payroll expenses, and utility payments.

SECTION III **RELIEF SOUGHT & LEGAL AUTHORITIES**

6. The Debtors seek authority to maintain their existing cash management system and disruption and continued use of their Depository Accounts. Pursuant to 28 U.S.C. § 586(a)(3),

the United States Trustee has established certain operating guidelines for chapter 11 debtors-in-possession. These guidelines require debtors-in-possession to, among other things, (i) close all existing bank accounts and open new debtor-in-possession bank accounts, (ii) establish one debtor-in-possession account for all estate funds required for payment of taxes, including payroll taxes, (iii) physically set aside all funds required by law to be withheld from employees or collected from others for taxes, (iv) open a new set of books and records as of the petition date, and (v) use new business forms indicating the debtor in possession status of the chapter 11 debtor. Should the Debtors close their existing Depository Accounts and reopen debtor-in-possession bank accounts, the Debtors will experience a lag in receipt of rental deposits and processing of operational costs as most of their utility payments and payroll processing are on automatic payment.

7. The Debtors request that the Court enter an order authorizing the maintenance and continued use of their existing cash management system, bank accounts, and existing business forms as described above. Section 105 of the Bankruptcy provides that the Court may "issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105. Granting the requested relief under section 105 of the Bankruptcy Code is appropriate as altering the Debtors' existing cash management system will severely delay scheduled payments and receipt of rental income. Furthermore, bankruptcy courts routinely authorize debtors to continue use of their pre-petition cash management system as well as their existing bank accounts, books, records, and business forms. *See In re Baldwin-United Corp*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987).

WHEREFORE, the Debtors respectfully request that this Court enter an order authorizing the continued use of existing i) cash management ii) bank accounts and iii) for such other relief as is equitable and just.

Dated: October 12, 2022

TRAN SINGH, LLP

By: /s/Susan Tran Adams
Susan Tran Adams | TBN: 24075648
Brendon Singh | TBN: 24075646
2502 La Branch St
Houston TX 77004
Ph: (832) 975-7300
Fax: (832) 975-7301
Email: stran@ts-llp.com

Proposed counsel for Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I hereby certify that on October 13, 2022, the following parties below and attached creditor matrix were served a true and correct copy of the foregoing Motion via First Class Mail, facsimile, or electronic notice.

/s/Susan Tran Adams
Susan Tran Adams

VERIFICATION OF TRANSMITTAL TO U.S. TRUSTEE

The undersigned, an attorney, under penalties of perjury, verifies that a copy of the Motion was delivered to the United States Trustee on October 13, 2022 by electronic delivery by the clerk of the Bankruptcy Court.

/s/Susan Tran Adams
Susan Tran Adams